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BEFORE THE ARIZONA CORPORATION COMMISSION

JEFF HATCH-MILLER
CHAIRMAN
WILLIAM A. MUNDELL
COMMISSIONER
MARC SPITZER
COMMISSIONER
MIKE GLEASON
COMMISSIONER
KRISTIN K. MAYES
COMMISSIONER

Arizona Corporation Commission

DOCKETED

JUN 16 2005

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IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY, AN ARIZONA
CORPORATION, FOR ADJUSTMENTS TO
ITS RATES AND CHARGES FOR UTILITY
SERVICE FURNISHED BY ITS WESTERN
GROUP AND FOR CERTAIN RELATED
APPROVALS

Docket No. W-01445A-04-0650

NOTICE OF FILING

The Residential Utility Consumer Office ("RUCO") hereby provides notice of filing the
Testimony Summary of Timothy J. Coley in the above-referenced matter.

RESPECTFULLY SUBMITTED this 17th day of June, 2005.


Daniel W. Pozefsky
Attorney

AN ORIGINAL AND THIRTEEN COPIES
of the foregoing filed this 17th day
of June, 2005 with:

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Phoenix, Arizona 85007

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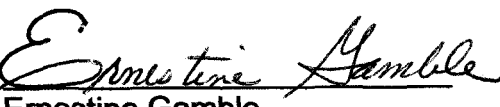
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Ernestine Gamble
10 Secretary to Daniel W. Pozefsky

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ARIZONA WATER COMPANY
WESTERN GROUP
DOCKET NO. W-01445A-04-0650
SUMMARY OF THE TESTIMONY OF TIMOTHY J. COLEY

The following is a summary of the issues set forth in the direct and surrebuttal testimony of Mr. Coley. A full discussion of these issues and the underlying rationales for his recommendations are contained in the referenced documents.

In his testimony, Mr. Coley recommends the following adjustments to Arizona Water Company's Western Group:

Rate Base Adjustments:

Working Capital – This adjustment recalculates working capital based on RUCO's recommended actual operating expenses and corrections in the Company's lead/lag days.

Operating Adjustments:

Annualize Additional Revenues & Expenses – This adjustment annualizes revenues and associated expenses to 2003 Test Year-end levels rather than the Company's 2003 average customer count.

Property Tax Expense – This adjustment calculates property tax expense on the currently effective Arizona Department of Revenue (DOR) formula.

Rate Design – These schedules propose a two-tier rate design based on RUCO's recommended levels of revenue requirements.